



TITLE: Consider/Discuss/ Act on an Ordinance Creating Reinvestment Zone No. 26 for Wistron GreenTech (Texas) Corp.

MEETING DATE: November 6, 2012

DEPARTMENT: City Manager

CONTACT: Jason Gray

RECOMMENDED CITY COUNCIL ACTION:

- Adopt Ordinance

ITEM SUMMARY:

- The ordinance creates a statutory Reinvestment Zone No. 26 which is a prerequisite for granting a tax abatement (and its accompanying Agreement)
- The proposed tax abatement agreement includes the following terms:
 - A 50% ad valorem tax abatement of City taxes on the incremental real property value increase to the improvements to the Wistron GreenTech (Texas) Corp. facility and the increased value of the new business personal property at the facility.
 - The abatement will be determined by the City Council on a year-to-year basis, based on satisfaction of the performance criteria, not to exceed five (5) years.

BACKGROUND INFORMATION:

- Wistron GreenTech (Texas) Corp. is a company which supplies information and communication technology products and services to leading companies worldwide
- The tax abatement relates to the renovation of a manufacturing facility purchased by Wistron GreenTech (Texas) Corp. from Montgomery Kone, Inc.

FINANCIAL SUMMARY:

- The final valuation of the taxable assets (building improvements of not less than \$1,000,000 and new equipment of not less than \$10,000,000) sited at Wistron GreenTech (Texas) Corp.'s facility on or before July 1, 2014, will determine whether the tax abatement will be granted such the eligible years of the tax abatement agreement.

BOARD OR COMMISSION RECOMMENDATION:

- N/A

